



Tipsons Stock Brokers Private Limited – RMS Liquidation Policy

Clients Obligation:-

It is client's obligation to clear his obligations on T+2 days (T indicates Trading day). The client shall timely provide funds / securities to TIPSONS STOCK BROKERS PVT LTD for the purchase / sale of securities for meeting his obligations to the Exchange. In case of client falling short of providing fund / securities, TIPSONS STOCK BROKERS PVT LTD has the right to close the positions / sell the clients securities with or without giving prior notice to client to the extent of ledger debit and / or to the extent of margin obligations. TIPSONS STOCK BROKERS PVT LTD can liquidate the securities bought or collaterals given or any other securities given by client in any other form for clearing the clients obligations.

RMS Liquidation Policy:

This is with reference to SEBI circular reference no. *CIR/HO/MIRSD/DOP/CIR/P/2019/75* dated 20th June 2019 and further NSE circular reference no. *NSE/INSP/42052* dated 04th September 2019 and BSE circular reference no, 20190904-38 dated 04th September 2019 regarding the captioned subject which is effective from 1st October 2019, accordingly RMS Liquidation policy is revised as under:

- As per SEBI guidelines, it has been clarified that the securities received in pay-out against which payment has been made by clients, securities shall be transferred to the respective demat account within one working day of the pay-out and the securities for which payment has not been paid in full or has been made in partial by the clients (unpaid securities), such securities shall be kept in the Client Unpaid Securities Account. (CUSA) by the Stock Broker.
- It is imperative for the clients to clear the total debit balance arising out of such purchases within 5 days from the Trade day.
- The Payments needs to be cleared by fund transfer, NEFT/ RTGS / IMPS or cheque such that clear funds are received by us latest by 12.30 pm on 5th day from the Trade day. Another option for the client is to sell stocks held by him within 5 days from the Trade day before 12.30 pm.
- In case payments are not received as mentioned above or client has himself not sell the stock before 12.30 pm, Tipsons shall be forced to liquidate client's stocks to clear the total debits as on T+5 days. Such Liquidation shall be carried out after 12.30 pm of 5th day from the Trade day.
- MTM loss arising in futures/ cash segment or debit arising through trading in options and not settled by the client on due date basis shall also be considered for liquidation under Trade day +5 days total debit clearance.
- On the day of liquidation, client shall be blocked from taking fresh positions in all the segments i.e. Equity Cash / equity derivatives / Currency / Commodities and would not be allowed to create any fresh positions in any segments enlisted here.

- Further Tipsons shall it in own discretion and depending upon facts and circumstances shall allow continue debit balance beyond T+5 days but No further exposure will allow for the same unless and until total debits are not clear. Further Tipsons shall it in such case (debit allow beyond T+5 days) also right to liquidate or clear total debit balance of clients as decided by RMS department on case to case basis depending upon facts and circumstances or depends on risk attached with Clients / Market or Market volatility as the case may be.

Stock Pick up logic for liquidation

- The stocks of the client for which payments have not been made will be held in “Unpaid Securities Account”. However, Tipsons, at its own discretion, can transfer such shares from “Unpaid Securities Account” to the Client’s own beneficiary account.
- The client can transfer shares from his beneficiary account to “Client collateral account” or “collateral account” for availing margin benefits.
- Thus, the shares of the client will be lying in “Unpaid Securities Account”, “Client collateral account”, “Collateral account” or client’s own beneficiary account.
- Stocks shall be picked up for liquidation from “Unpaid Securities Account”, “Client Collateral A/c”, “Collateral Account” and finally from Client own beneficiary account as decided by RMS department.
- Stock shall be valued at latest available Closing Price.
- Stock equivalent to 105% of the debit amount shall be picked up for liquidation.
- In case price of a particular share held by the client is greater than the debit of the client, still system may pick up one share of that particular scrip and liquidate the same.

Other Important Points to be considered:

- No exposure shall be granted from stock liquidation on 5th day from Trade day even though the client has himself sold the stock on 5th day from trade day. Further there shall be clear fund require on 5th day from trade day for grant further exposure (i.e. based on cheque deposit – No further exposure allow).
- Third Party Cheques shall not be considered as credit balance for adjustment against liquidation amount. In case client transfers funds from any bank account which is not mapped to his trading account, it shall be treated as third party payment.
- Stock picked up from Clients own beneficiary Account shall not be checked for any Income-tax regulations (LTCG/ STCG).
- TIPSONS Management will have a discretion to alter/change any of selling parameter defined in this policy on the basis of prevailing market conditions with or without prior intimation and can use their discretion to grant any kind of exemption/permission in case they deem fit on case to case basis.
- In case of any disagreement and/or ambiguity, Management reserves the right to make the decision, which shall be final and binding.
- Any loss/ damage arising out of compulsory square-off of trades towards outstanding debits from clients, the same will be debited to the clients account for which the clients will have to make the full payments. Please note that further exposure will not be allowed in case of any outstanding debits in the clients account.